

109TH CONGRESS
1ST SESSION

H. R. 387

To amend the Internal Revenue Code of 1986 to exclude disaster mitigation payments from gross income.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 2005

Mr. JINDAL (for himself, Mr. McCRERY, and Mr. ALEXANDER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude disaster mitigation payments from gross income.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Disaster Prevention
5 Protection Act of 2005”.

6 **SEC. 2. EXCLUSION OF DISASTER MITIGATION PAYMENTS**
7 **FROM GROSS INCOME.**

8 (a) IN GENERAL.—Section 139 of the Internal Rev-
9 enue Code of 1986 (relating to disaster relief payments)

1 is amended by adding at the end the following new sub-
2 section:

3 “(g) QUALIFIED DISASTER MITIGATION PAY-
4 MENTS.—

5 “(1) IN GENERAL.—Gross income shall not in-
6 clude any amount received as a qualified disaster
7 mitigation payment.

8 “(2) QUALIFIED DISASTER MITIGATION PAY-
9 MENT DEFINED.—For purposes of this section, the
10 term ‘qualified disaster mitigation payment’ means
11 any amount which is paid pursuant to the Robert T.
12 Stafford Disaster Relief and Emergency Assistance
13 Act or the National Flood Insurance Act to or for
14 the benefit of the owner of any property for hazard
15 mitigation with respect to such property.

16 “(3) BASIS OF PROPERTY NOT INCREASED BY
17 REASON OF EXCLUDABLE PAYMENTS.—Notwith-
18 standing any provision of section 1016 to the con-
19 trary, no adjustment to basis shall be made with re-
20 spect to property acquired or improved through the
21 use of any qualified disaster mitigation payment to
22 the extent that such adjustment would reflect any
23 amount which is excluded from gross income under
24 paragraph (1).”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Subsection (d) of section 139 of such Code
2 is amended by striking “a qualified disaster relief
3 payment” and inserting “qualified disaster relief
4 payments and qualified disaster mitigation pay-
5 ments”.

6 (2) Subsection (e) of section 139 of such Code
7 is amended by striking “and (f)” and inserting
8 “, (f), and (g)”.

9 (3) The heading of section 139 of such Code is
10 amended by striking “**DISASTER RELIEF**” and in-
11 serting “**DISASTER-RELATED**”.

12 (4) The item in the table of sections for part
13 III of subchapter B of chapter 1 of such Code relat-
14 ing to section 139 is amended to read as follows:

“Sec. 139. Disaster-related payments.”.

15 (c) **EFFECTIVE DATE.**—The amendments made by
16 this section shall apply to amounts received before, on, or
17 after the date of the enactment of this Act.

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